

**DRAFT MINUTES
TIMBER ADVISORY COMMITTEE
May 4, 2004 MEETING**

The meeting was called to order by David J. Gau, Chairman, at 9:04 a.m. in Room 122, State Board of Equalization (BOE), 450 N Street, Sacramento, California, with the following in attendance. A quorum was present.

**TIMBER ADVISORY
COMMITTEE (TAC) MEMBER**

David J. Gau, Chair
Gerald D. Cochran, Vice-Chair/Secretary
Tim Holcomb
Dave Peets
Marsha Wharff
Cris Andrews
Roy H. Richards, Jr.
Marty Olhiser

REPRESENTING

BOE
Assessor, Del Norte County
Assessor, El Dorado County
Assessor, Alpine County
Assessor/Recorder/Clerk, Mendocino County
Assessor/Recorder, Shasta County
Small-Scale Timber Owners
Large-Scale Timber Owners

OTHERS IN ATTENDANCE

Bill Leonard
Betty Yee
Ramon J Hirsig
Steve Kamp
Mai Harvill
Mickie Stuckey
Gary Platz
Tim Treichelt
Shirley Johnson
John Davis
John Penney
Jim Lehnus
Mike Jani
Bev Lauer
Mitchell Cari
George Felix
Larry Fogerson

REPRESENTING

Board Member, Second Equalization District
Board Chairwoman Carole Migden's Office
BOE Executive Director
Board Chairwoman Carole Migden's Office
Board Member Bill Leonard's Office
BOE, County Property Tax Division (CPTD)
BOE, CPTD, Timber Tax Section
BOE, Legal Department
BOE, Legal Department
Green Diamond Resources Co.
Green Diamond Resources Co.
Green Diamond Resources Co.
Mendocino Redwood Co.
Nevada County Assessor's Office
BOE, CPTD, Timber Tax Section
BOE, CPTD, Timber Tax Section
BOE, CPTD, Timber Tax Section

1. Oath of Office

The Honorable Bill Leonard, Board Member, Second Equalization District, administered the oath of office to the TAC Members.

Board Member Leonard and Ms. Betty Yee, representing Chairwoman Migden, presented large, mounted maps of the State of California, delineating the Timber Value Areas, the BOE's Equalization Districts, and the Rate Adjustment Counties to the TAC Members.

David Gau introduced the BOE's new Executive Director, Ramon Hirsig.

2. Approval of Minutes of November 17, 2003 meeting

Dave Peets moved to approve the minutes of the November 17, 2003 meeting; Gerald Cochran seconded the motion, which then passed.

3. Harvest Value Discussion for Period July 1, 2004 – December 31, 2004

a. Tables G & S, Green and Salvage Values

Gary Platz presented comments on general value trends shown in tables G and S. Gary also recommended a change to staff's original second half 2004 suggested values for TVA's 2N and 2S, RG1 and RG2, based on additional sales information received after staff developed the initial suggested values. Staff's suggestion was to reduce those values by \$20/MBF in each. Discussion ensued and it was determined that the corresponding suggested salvage values in TVA's 2N and 2S, RS1 and RS2, should be similarly reduced by \$20/MBF each.

Roy Richards commented on the suggested value of TVA 6, PPG3. He questioned why the average computed value was \$259/MBF and the suggested value was \$280/MBF. Gary Platz explained that the most recent sales indicators (those received in late 2003/early 2004) were much higher, which carried more weight in determining the value. Gerald Cochran pointed out that if you used the average computed value for TVA6, PPG2, the value would be \$429/MBF, which would be much higher than staff's suggested value of \$360/MBF. Marsha Wharff and Mike Jani inquired about the value setting process used by the Board staff. Gary gave a brief description of the process. Gary then presented the range of values for TVA 6, PPG3, and ranges of values for other select species.

Gerald Cochran moved to approve the suggested values in tables G & S, with the changes to TVA's 2N and 2S, RG1, RG2, RS1, and RS2, as suggested by staff; Marsha Wharff seconded the motion, which then passed.

b. Table 1 — Miscellaneous Harvest Values

Gary Platz described the changes in the Table 1 suggested values. Roy Richards asked how staff evaluates the average volume per log on sales prior to harvest as it relates to the values for Small Sawlogs, Miscellaneous (SSM). Gary Platz gave a brief description of the procedures used by staff. Mickie Stuckey proposed that staff complete an analysis on the difference between including SSM on Table 1, Miscellaneous Harvest Values, or on Table G, Timber Harvest Values, in each species as size code 3, and bring the analysis back to the TAC at the November 2004 meeting. The TAC agreed that they would like to see that analysis.

Dave Peets moved to approve Table 1 as presented; Gerald Cochran seconded the motion, which then passed.

4. Other Business

a. History of Timber Advisory Committee

Mickie Stuckey presented a revised draft of the History of the Timber Advisory Committee. Mickie pointed out the changes that had been made to the previous draft and the addition of the historical listing of TAC members since its establishment. Tim Holcomb and Gerald Cochran mentioned there were a couple of errors on the TAC Member listing. Mickie agreed to make the changes mentioned. Cris Andrews moved to approve the History of the Timber Advisory Committee, with the changes discussed; Gerald Cochran seconded the motion, which then passed.

Mickie Stuckey stated she would email a copy of the finalized history to the TAC Members and would post it on the BOE's website. She also handed out a listing, with titles and phone numbers, of BOE staff involved in the timber tax value setting process and one of the TAC members with their addresses, phone numbers, and email addresses.

b. Log Index Availability

Mickie Stuckey handed out the April 22, 2004 BOE Legal Department's opinion regarding the confidentiality and disclosure of information contained in the log index developed by staff to adjust older sales information for time-related changes in the wholesale timber market. The opinion stated, in part, that "...while the Board can publicly disclose the log index, the raw data should not be disclosed by staff." Gary Platz handed out the time adjustments developed from unconfirmed delivered log quotes, which did not include confidential information, and explained that it consisted of compiled information used as time adjustments by staff in their analysis of stumpage sales in estimating the second half 2004 suggested harvest values.

c. Southern California Salvage Update

Gary Platz discussed the ongoing insect and fire salvage situation in southern California.

d. Date for next meeting

Tentatively set for November 9, 2004.

5. New business

David Gau announced that Tim Treichelt now works in the BOE's Legal Department, Property Taxes Division. Tim addressed the TAC on his new role as a member of the BOE's Legal Department.

Marty Olhiser suggested that it might be helpful for Board Members and BOE staff to take a ground tour of timber management practices of his company, Mendocino Forest Products. John Penney volunteered to make Green Diamond lands available for a tour, also. It was decided that Marty and John would work with Mickie Stuckey to facilitate the trip.

6. David Gau adjourned the meeting at 10:17 a.m.